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HOUSING AUTHORITY OF THE PARISH OF ST. JOHN THE BAPTIST  
LAPLACE, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS REPORTS  
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 1998  
WITH SUPPLEMENTAL INFORMATION SCHEDULES

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date APR 28 1999

WILLIAM DANIEL MCCASKILL, CPA  
A PROFESSIONAL ACCOUNTING CORPORATION

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## TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT ON GENERAL PURPOSE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

### EXHIBITS -- FINANCIAL STATEMENTS

- A COMBINED BALANCE SHEET AT SEPTEMBER 30, 1998, ALL FUND TYPES AND ACCOUNT GROUPS
- B COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--FOR THE YEAR ENDED SEPTEMBER 30, 1998
- C COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES--BUDGET (GAAP BASIS) AND ACTUAL--GENERAL AND SPECIAL REVENUE FUNDS

### NOTES TO THE FINANCIAL STATEMENTS AND ACCOMPANYING INFORMATION

### SUPPLEMENTARY INFORMATION SCHEDULES--GAAP BASIS

- I CAPITAL PROJECT FUNDS--COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
- II SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
- III SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

### SUPPLEMENTARY INFORMATION SCHEDULES--STATUTORY BASIS

- IV BALANCE SHEET--STATUTORY BASIS
- V STATEMENT OF REVENUES AND EXPENDITURES--STATUTORY BASIS--ANNUAL CONTRIBUTIONS CONTRACT FW-1422

VI STATEMENT OF REVENUES AND EXPENDITURES--  
STATUTORY BASIS--ANNUAL CONTRIBUTIONS CON-  
TRACT FW-2170

VII ANALYSIS OF SURPLUS--STATUTORY BASIS

VIII PHA's STATEMENT AND CERTIFICATION OF ACTUAL  
MODERNIZATION COSTS PROJECT LA48PO9570496  
--STATUTORY BASIS

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

SCHEDULE OF ADJUSTING JOURNAL ENTRIES-NONE

SCHEDULE OF CURRENT FINDINGS AND QUESTIONED COSTS

CORRECTIVE ACTION PLAN

MANAGEMENT LETTER

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**INDEPENDENT AUDITOR'S REPORT  
UNQUALIFIED OPINION ON GENERAL PURPOSE  
FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE  
OF EXPENDITURES OF FEDERAL AWARDS**

**BOARD OF COMMISSIONERS  
HOUSING AUTHORITY OF THE PARISH OF ST. JOHN THE BAPTIST  
LAPLACE, LOUISIANA 70089**

I have audited the accompanying general purpose financial statements of the Housing Authority of The Parish of St. John the Baptist (PHA) as of and for the year ended September 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the PHA's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

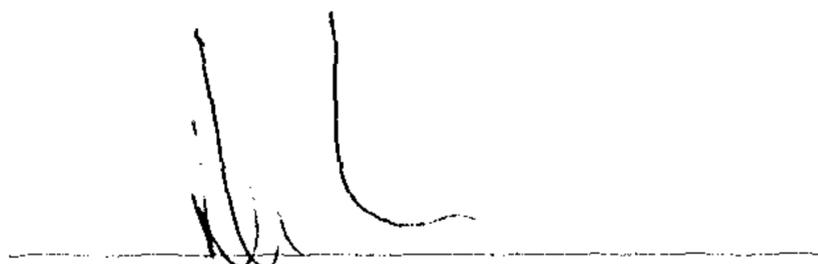
I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of The Parish of St. John the Baptist as of September 30, 1998, and the results of its operations and changes in its surplus for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated March 11, 1998 on my consideration of the PHA's internal control over financial reporting and my tests of its compliance with certain laws, regulations, contracts and grants.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the PHA taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non Profit organizations, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements and any other included supplementary information taken as a whole.

This report is intended solely for the information and use of the Board of Commissioners of the PHA, and for filing with the Department of HUD and should not be used for any other purpose.

A handwritten signature in black ink, appearing to read 'W. McCaskill', is written over a horizontal dashed line.

William Daniel McCaskill, CPA  
A Professional Accounting Corporation

March 11, 1998

Housing Authority of the Parish of St. John the Baptist  
 LaPlace, Louisiana 70069  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 COMBINED BALANCE SHEET AS OF SEPTEMBER 30, 1998

EXHIBIT A

ASSETS AND OTHER DEBITS	*****GOVERNMENTAL FUNDS*****					*****ACCOUNT GROUPS*****				Total (Memorandum Only)
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Fiduciary Funds-- Agency Funds	General Fixed Assets	Long Term Obligations	General		
Assets:										
Cash and Cash Equivalents	653,676.49	0.00	36.19	0.00	30,094.00	0.00	0.00	0.00	0.00	683,806.68
Receivables	108,799.43	0.00	146,364.37	39,793.64	0.00	0.00	0.00	0.00	0.00	294,957.44
Interfund Receivables	39,793.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	39,793.64
Prepaid Insurance	50,306.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50,306.49
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Land, Structures & Equipment	0.00	0.00	0.00	0.00	0.00	13,161,556.47	0.00	0.00	0.00	13,161,556.47
Other Debits:										
Amount Available in Debt Service Funds	0.00	0.00	0.00	0.00	0.00	0.00	146,364.37	0.00	0.00	146,364.37
Amount to be Provided for Retirement of General Long Term Obligations	0.00	0.00	0.00	0.00	0.00	0.00	1,167,130.26	0.00	0.00	1,167,130.26
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$852,576.05</b>	<b>\$0.00</b>	<b>\$146,400.56</b>	<b>\$39,793.64</b>	<b>\$30,094.00</b>	<b>\$13,161,556.47</b>	<b>\$1,313,494.63</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$15,543,915.35</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>										
Liabilities:										
Accounts Payable	35,276.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35,276.42
Interfund Payables	0.00	0.00	0.00	39,793.64	0.00	0.00	0.00	0.00	0.00	39,793.64
Deposits Due Others	0.00	0.00	0.00	0.00	30,094.00	0.00	0.00	0.00	0.00	30,094.00
Deferred Revenues	38,008.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	38,008.00
Compensated Absences Payable	0.00	0.00	0.00	0.00	0.00	0.00	46,864.47	0.00	0.00	46,864.47
Notes & Bonds Payable	0.00	0.00	0.00	0.00	0.00	0.00	1,266,630.16	0.00	0.00	1,266,630.16
Total Liabilities	\$73,284.42	\$0.00	\$0.00	\$39,793.64	\$30,094.00	\$0.00	\$1,313,494.63	\$0.00	\$0.00	1,456,666.69
Equity & Other Credits										
Investment in General Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fund Balances:										
Reserved for Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reserved for Debt Payment	0.00	0.00	146,400.56	0.00	0.00	0.00	0.00	0.00	0.00	146,400.56
Unreserved & Undesignated	779,291.63	0.00	0.00	0.00	0.00	13,161,556.47	0.00	0.00	0.00	13,940,848.10
Total Equity & Other Credits	\$779,291.63	\$0.00	\$146,400.56	\$0.00	\$0.00	\$13,161,556.47	\$0.00	\$0.00	\$0.00	\$14,087,248.66
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b>\$852,576.05</b>	<b>\$0.00</b>	<b>\$146,400.56</b>	<b>\$39,793.64</b>	<b>\$30,094.00</b>	<b>\$13,161,556.47</b>	<b>\$1,313,494.63</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$15,543,915.35</b>

see notes to financial statements

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED SEPTEMBER 30, 1998

REVENUES	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total (Memorandum Only)
Local Sources:					
Dwelling Rental	273,636.00	0.00	0.00	0.00	273,636.00
Interest Charges	18,362.42	2,529.09	0.00	0.00	20,891.51
Receipts from the Sale of Equipment					
Other	14,804.00	0.00	0.00	0.00	14,804.00
Federal Sources:					
Operating Subsidy	895,632.00				895,632.00
Annual Contributions		417,913.00	146,364.37	0.00	564,277.37
Grants				0.00	0.00
Total Revenues	1,202,434.42	420,442.09	146,364.37	0.00	1,769,240.88
EXPENDITURES					
Current:					
Administration	187,962.10	34,718.42	0.00	0.00	222,680.52
Utilities	308,429.18	0.00	0.00	0.00	308,429.18
Ordinary Maintenance & Operations	309,417.78	0.00	0.00	0.00	309,417.78
Tenant Services	17,635.00	0.00	0.00	0.00	17,635.00
General Expenditures	242,283.80	0.00	0.00	0.00	242,283.80
Nonroutine Maintenance	3,950.00	0.00	0.00	0.00	3,950.00
Housing Assistance Payments		371,962.70	0.00	0.00	371,962.70
Facilities Acquisition & Construction	33,775.29	0.00	0.00	0.00	33,775.29
Prior Year Adjustments Affecting Res. Receipts	(1,280.00)				
Debt Service:					
Principal Retirement			0.00		0.00
Interest & Bank Charges			0.00		0.00
Total Expenditures	1,102,173.15	406,681.12	0.00	0.00	1,510,134.27
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	100,261.27	13,760.97	146,364.37	0.00	259,106.61
OTHER FINANCING SOURCES (USES)					
Operating Transfers In		0.00			0.00
Operating Transfers Out		0.00			0.00
Total Other Financing Sources (Uses)	0.00	0.00	0.00	0.00	0.00
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXP. AND OTHER USES	100,261.27	13,760.97	146,364.37	0.00	259,106.61
FUND BALANCES AT BEGINNING OF YEAR	628,801.86	36,467.53	36.19	0.00	665,305.58
FUND BALANCES AT END OF YEAR	729,063.13	50,228.50	146,400.56	0.00	924,412.19

see notes to financial statements

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET VS. ACTUAL  
 GENERAL FUND FOR THE YEAR ENDED SEPTEMBER 30, 1998

	*****GENERAL FUND*****			*****SPECIAL REVENUE FUND*****		
	Budget	Actual	Favorable Variance	Budget	Actual	Favorable Variance
<b>REVENUES</b>						
Local Sources:						
Dwelling Rental	277,930.00	273,636.00	(4,294.00)			0.00
Interest Charges	20,720.00	18,362.42	(2,357.58)	0.00	2,529.00	2,529.00
Receipts from the Sale of Equipment						
Other	12,520.00	14,804.00	2,284.00			0.00
Federal Sources:						
Annual Contributions				395,193.00	417,913.00	22,720.00
Grants						
Total Revenues	1,206,802.00	1,202,434.42	(4,367.58)	395,193.00	420,442.00	25,249.00
<b>EXPENDITURES</b>						
Current:						
Administration	214,220.00	187,962.10	26,257.90	44,632.00	34,718.42	9,913.58
Utilities	304,640.00	308,429.18	(3,789.18)			0.00
Ordinary Maintenance & Operations	336,800.00	309,417.78	27,382.22			0.00
Tenant Services	17,160.00	17,635.00	(475.00)			0.00
General Expenditures	300,060.00	242,283.80	57,776.20			0.00
Nonroutine Maintenance	86,250.00	3,950.00	82,300.00			0.00
Housing Assistance Payments				349,211.00	371,962.70	(22,751.70)
Facilities Acquisition & Construction	57,550.00	33,775.29	23,774.71			0.00
Prior Year Adj. Affecting Res. Receipts	0.00	(1,280.00)				
Debt Service:						
Principal Retirement						
Interest & Bank Charges						
Total Expenditures	1,316,680.00	1,102,173.15	213,226.85	393,843.00	406,681.12	(12,838.12)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(109,878.00)</b>	<b>100,261.27</b>	<b>208,859.27</b>	<b>1,350.00</b>	<b>13,760.88</b>	<b>12,410.88</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating Transfers In						
Operating Transfers Out						
Total Other Financing Sources (Uses)	0.00	0.00	0.00	0.00	0.00	0.00
<b>NET EXCESS (DEFICIENCY) OF REVENUES</b>	<b>(109,878.00)</b>	<b>100,261.27</b>	<b>208,859.27</b>	<b>1,350.00</b>	<b>13,760.88</b>	<b>12,410.88</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>628,801.00</b>	<b>628,801.86</b>	<b>(0.86)</b>	<b>628,801.86</b>	<b>628,801.86</b>	<b>0.00</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>518,923.00</b>	<b>729,063.13</b>	<b>208,860.13</b>	<b>630,151.86</b>	<b>642,562.74</b>	<b>12,410.88</b>

===== see notes to financial statements =====

**THE HOUSING AUTHORITY OF THE PARISH OF ST. JOHN THE BAPTIST**  
**LAPLACE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

Housing Authorities are chartered as a public corporation under the laws (LSA-RS 40:391) of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of the Parish of St. John the Baptist. This creation was contingent upon the local governing body of the city or parish. The PHA is governed by a five member Board of Commissioners. The members, appointed by the Parish Council, serve a four year staggered term.

Under the United States Housing Act of 1937, as amended, the US Department of HUD has direct responsibility for administering low rent housing programs in the United States. Accordingly, HUD has entered into an annual contributions contract with the PHA for the purpose of assisting the PHA in financing the acquisition, construction and leasing of housing units and to make annual contributions (subsidies) to the PHA for the purpose of maintaining this low rent character.

The PHA has the following programs under management:

	ACC Number	Number of Units
PHA Owned Housing	FW-1422	315
Section 8	FW-2170	102

**NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**A. BASIS OF PRESENTATION**

The accompanying financial statements of the PHA have been prepared in conformity with GAAP as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**B. REPORTING ENTITY**

GASB Statement Number 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the PHA is legally separate and fiscally independent by being solely accountable for fiscal matters, including (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, (3) fiscal

management for controlling the collection and disbursement of funds, (4) authority to issue debt, the PHA is a separate governmental reporting entity. The PHA includes all funds, account groups, activities that are within the oversight responsibility of the PHA.

Certain units of local government over which the PHA exercised no oversight responsibility, such as the school boards, parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate entities and issue financial statements separate from those of the PHA.

### **C. FUND ACCOUNTING**

The PHA uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net spendable financial resources.

Funds of the PHA are classified into three categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental funds--Governmental funds account for all or most of the PHA's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition of construction of general fixed assets, and the servicing of general long term debt. Governmental funds include:

1. General Fund--the general operating fund of the PHA accounts for all financial resources, except those required to be accounted for in other funds.
2. Debt Service Fund--accounts for transactions relating to resources retained and used for the payment of principal and interest on those long term obligations recorded in the general long term obligations account group.

3. Capital Projects Funds--account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Fiduciary Funds--Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the PHA. Fiduciary funds include:

1. Tenant Security Deposits--accounts for assets held by the PHA as an agent for the individual residents. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

#### **D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating Statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds and agency funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues--Federal entitlements are recorded as unrestricted grants-in-aid when available and measurable. Federal restricted grants are recorded when the reimbursable expenditures have been incurred.

Rental income is recorded in the month earned.

Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available. Interest income on interest bearing demand deposits is recorded each month when credited by the bank to the account.

Substantially all other revenues are recorded when they become available to the PHA.

Expenditures--Salaries are recorded as expenditures when paid.

Purchases of various operating supplies are recorded as expenditures in the accounting period they are purchased.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long term obligations account group.

Principal and interest on general long term debt are recognized when due.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

Other Financing Sources (Uses)--Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long term debt proceeds, and the like) are accounted for as other financing sources (uses). These other financing sources are recognized at the time the underlying events occur.

Deferred Revenues--The PHA reports deferred revenue on its combined balance sheet. Deferred revenues arise when resources are received by the PHA before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the PHA has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

## **E. BUDGETS**

The following summarizes the budget activities of the PHA during the fiscal year:

1. The PHA adopted budgets for the General Fund, the Special Revenue Fund and the Capital Projects Funds. The Capital Projects Funds budget comparison to actual has not been included since the cash project is a multiple year endeavor.
2. The budgets are prepared on the modified accrual basis of accounting. All appropriations lapse at year end.
3. Encumbrances are not recognized within the accounting records for budgetary purposes.
4. Formal budget integration (within the accounting records) is employed as a management control device.
5. The Executive Director is authorized to transfer amounts between line items within any fund, with the exception of salaries, provided such does not change the total of any function. However, when actual revenues within a fund fail to meet budgeted revenues by 5% or more, a budget amendment is adopted by the PHA in an open meeting. Budget amounts included in the

accompanying financial statements include the original adopted budget and all subsequent amendments.

#### **F. ENCUMBRANCES**

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded. In addition, the monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made.

#### **G. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include amounts in time deposits and cash with fiscal agents. Under state law, the PHA may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana Law and national banks having their principal offices in Louisiana.

#### **H. SHORT TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short term interfund loans are classified as interfund receivables/payables.

#### **I. INVENTORY**

All purchased inventory items are valued at the lower of cost (first in, first out) or market. Purchased inventories are offset by a fund balance reserve which indicates that these do not constitute "available spendable resources", even though they are a component of total assets.

Acquisition of materials and supplies are accounted for on the purchase method, that is, the expenditure is charged when the items are purchased.

#### **J. FIXED ASSETS**

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures such as sidewalks and parking lots are capitalized. Interest expense during construction is capitalized. Depreciation has not been provided on general fixed assets.

## **K. COMPENSATED ABSENCES**

The PHA follows Louisiana Civil Serviced regulations for accumulated annual and sick leave. Employees may accumulate up to 300 hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

*The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the governmental funds when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long term obligations account group. Leave benefits are based on accrued leave benefits or employees with 10 years service to a maximum of 25 days at their current annual salary.*

## **L. LONG TERM OBLIGATIONS**

Long term obligations expected to be financed from governmental funds are reported in the general long term obligations account group. Expenditures for principal and interest payments for long term obligations are recognized in the governmental funds when due.

## **M. FUND EQUITY**

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

## **N. INTERFUND TRANSACTIONS**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers. Nonrecurring or non routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

## **O. TOTAL COLUMNS ON COMBINED STATEMENTS**

The total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with GAAP. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or

## NOTE 2 -- CASH AND CASH EQUIVALENTS

At September 30, 1998, the PHA has cash and cash equivalents totaling \$730,171.48 as follows:

Interest Bearing Demand Deposits	\$406,385.40
Time Deposits	323,749.89
Petty Cash	
Cash With Fiscal Agent	36.19
Total	\$730,171.48

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At September 30, 1998, the PHA has \$730,135.29 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$583,834.66 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the PHA that the fiscal agent has failed to pay deposited funds on demand.

## NOTE 3--RECEIVABLES

The receivables of \$294,957.44 at September 30, 1998 are as follows:

### GENERAL FUND

#### Local Sources:

Tenants	2,174.98
Other	201.50
Adult Education Due from other	2,038.85

#### Federal Sources:

Due From HUD	80,658.67
Deposits with HUD	23,725.43
Total	108,799.43

<b>DEBT SERVICE FUND</b>	
HUD Annual Contributions Rec.	146,364.37
<b>CAPITAL PROJECTS FUND</b>	
Receivables	39,793.64
<b>TOTAL</b>	<b>294,957.44</b>

**NOTE 4--FIXED ASSETS**

The changes in general fixed assets are as follows:

**LAND, STRUCTURES, AND EQUIPMENT**

<b>Land, Structures, and Equipment</b>	
Balance 9-30-97	8,529,471.84
Net Additions	33,775.29
Balance 9-30-98	8,563,247.13
Mod 904	
Balance 9-30-97 & 9-30-98	178,140.00
Mod 905	
Balance 9-30-97 & 9-30-98	899,306.00
Mod 906	
Balance 9-30-97 & 9-30-98	1,592,410.00
Mod 907	
Balance 9-30-97 & 9-30-98	249,219.00
Mod LA95-2	
Balance 9-30-97 & 9-30-98	199,133.00
Mod 703	
Balance 9-30-97	508,054.96
Net Additions	113.04
Balance 9-30-98	508,168.00

Mod 704	
Balance 9-30-97	193,035.95
Net Additions	221,068.05
Balance 9-30-98	414,104.00
Nonexpendable Equipment	
Balance 9-30-97 & 9-30-98	29,745.94
PHDEP 1995	
Balance 9-30-97	134,954.89
Net Additions	23,054.11
Balance 9-30-98	158,000.00
PHDEP 1996	
Balance 9-30-97	61,151.67
Net Additions	96,848.33
Balance 9-30-98	158,000.00
Mod 905	
Net Additions & Balance 9-30-98	212,083.40
Total Land, Structures, & Equipment	13,161,556.47

Fixed assets are mortgaged to HUD pursuant to the Annual Contributions Contract as collateral for obligations owed to the US Government. The building cost includes \$0.00 of ineligible expenditures as determined by HUD.

#### **NOTE 5--RETIREMENT SYSTEM**

The PHA participates in the Housing Renewal and Local Agency Retirement Plan which is a defined contribution plan. Through this plan, the PHA provides pension benefits for all of its full time employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All regular and full time employees are eligible to participate in the plan on the first day of the month after completing 6 months of continuous and uninterrupted employment. Each participant in the plan is required to make a monthly contribution equal to 6% of each participant's basic compensation. The PHA's contribution for each employee and income allocated to the employee's account are fully vested after 5 years of continuous service. The PHA's contributions and interest forfeited by employees who leave employment before 5 years of service are used to offset future contributions of the PHA.

The PHA's total payroll for fiscal year ended September 30, 1998 was \$288,436.26. The PHA's contributions were calculated using the base salary amount of \$288,436.26. Both the PHA and the covered employees made the required contributions for the year ended September 30, 1998.

Employee contributions to the plan totaled \$17,306.17. The PHA contributions totaled \$23,074.90 for the year ended September 30, 1998.

**NOTE 6--ACCOUNTS PAYABLE**

The payables of \$35,276.42 at September 30, 1998 are as follows:

Vendors	
Due to Other Governments	
Payment in Lieu of Taxes	28,677.42
Other	6,599.00
Total	35,276.42

**NOTE 7--COMPENSATED ABSENCES**

At September 30, 1998, employees of the PHA have accumulated and vested \$48,864.47 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is not expected to be paid from current available resources; therefore the liability is recorded within general long term obligations account group.

**NOTE 8--CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS**

Agency Funds:	
Tenant Security Deposits	
Balance 9-30-97	31,200.00
Net Deletions	1,106.00
Balance 9-30-98	30,094.00

**NOTE 9--CHANGES IN GENERAL LONG TERM OBLIGATIONS**

The following is a summary of the long term obligation transactions of the year ended September 30, 1998:

Compensated Absences	
Balance 9-30-98	46,864.47
Permanent Notes FFB	
Balance 9-30-97 & 9-30-98	1,090,363.73
New Agency Bonds	
Balance 9-30-97 & 9-30-98	176,266.43
Total	1,313,494.63

All principal and interest requirements are funded in accordance with Federal law by the annual contributions from the US Department of HUD. The PHA neither receives nor disburses any monies for debt retirement. In a departure from GAAP, I am not able to disclose the future maturities and interest rates on the notes and bonds.

#### **NOTE 10--INTERFUND ASSETS/LIABILITIES**

Interfund receivables/payables at September 30, 1998 is as follows:

	Due From	Due To
General Fund		39,793.64
Capital Project Funds	39,793.64	

#### **NOTE 11-COMMITMENTS AND CONTINGENCIES**

There are certain major construction projects at March 11, 1998. As approved by HUD these projects are being funded by HUD. Funds are requested periodically as the cost is incurred. Costs incurred on these projects totaled \$4,598,309.34 as of September 30, 1998.

The PHA participates in a number of state and federally assisted grant programs. Although the current grant programs have been audited in accordance with the Single Audit Act of 1996 through September 30, 1998, these programs are still subject to compliance audits. PHA management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

#### **NOTE 12-YEAR 2000 COMPLIANCE**

Since the PHA has bank accounts and other relationships that are dependent upon computers for normal function, it is impossible to properly determine the effect that Y-2K will have on the PHA until after January 2000. The computer software vendor utilized by the PHA indicates that they are in the Testing/Validation stage and that they are confident that the software utilized internally by the PHA will be Y-2K compliant by the end of the summer of 1999. The PHA is not performing any Testing/Validation at this time but plans to do so by September 1999. HUD indicates that their computer systems are better prepared for Y-2K than most Federal agencies and do not anticipate problems in this regard. The CPA firm hereby declares that we are not capable of evaluating the probability of what will really happen relative to Y-2K, does not believe that anyone else is, but that we do not believe that it will have a material long term effect on this PHA.

### Note 13 -- HUD Probe

A former staff member made written allegations of wrongdoing by PHA staff to HUD. HUD conducted a probe of the issues raised and verbally indicated to me that they found no instances of wrongdoing by PHA staff. They corrected a minor procedure followed for evictions and are still working on an issue related to the Resident Council. The PHA does not have any responsibility for the Resident Council except those minimally raised in the memorandum of understanding between the PHA and the resident council. Additionally, HUD asked the State of Louisiana Department Civil Service to investigate certain of these allegations that relate to personnel issues. I understand that Civil Service found that no Civil Service rules were violated. My conclusion based on the above is that the matters were all cleared.

Housing Authority of the Parish of St. John the Baptist  
 LaPlace, Louisiana 70069

SCHEDULE I

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 CAPITAL PROJECTS FUND FOR THE YEAR ENDED SEPTEMBER 30, 1998

	PROJECT MOD 703 1995	PROJECT MOD 704 1996	PROJECT MOD 1997	RUG GRANDRUG GRANT 1995	RUG GRANDRUG GRANT 1996	TOTAL
<b>REVENUES</b>						
Local Sources						
Federal Sources--Grants	8,324.59	223,050.40	165,929.74	31,271.18	94,981.68	523,557.59
Total Revenues	8,324.59	223,050.40	165,929.74	31,271.18	94,981.68	523,557.59
<b>EXPENDITURES</b>						
Current:						
Administrative						
General Expenses	113.04	221,068.05	212,083.40	23,045.11	96,848.33	119,893.44
Facilities Acquisition and Construction				0.00	0.00	433,264.49
Total Expenditures	113.04	221,068.05	212,083.40	23,045.11	96,848.33	553,157.93
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	8,211.55	1,982.35	(46,153.66)	8,226.07	(1,866.65)	(29,600.34)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	(8,211.55)	(1,981.75)	0.00	0.00	0.00	(10,193.30)
<b>FUND BALANCE AT END OF YEAR</b>	0.00	0.60	(46,153.66)	8,226.07	(1,866.65)	(39,793.64)

=====

see notes to financial statements

Housing Authority of St John the Baptist Parish  
LaPlace, Louisiana

SCHEDULE II

SCHEDULE OF PER DIEM PAID COMMISSIONERS  
For the Year Ended September 30, 1998

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Per Louisiana Revised Statutes (LRS 401.1), the commissioners of this PHA are authorized to receive per diem up to \$60.00 per meeting attended. Accordingly, the following is a schedule of that per diem paid:

Morris	720.00
Feist	720.00
Clofer	720.00
Collins	720.00
Patrick	720.00
Total Paid	3,600.00

see notes to financial statements

Housing Authority of St. John the Baptist Parish  
 City of LaPlace, Louisiana  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the year ended September 30, 1998

SCHEDULE III

FEDERAL AGENCY:	CFDA NO.	Federal Award Expenditures
U S Department of Housing and Urban Development Direct Programs:		
Low Income Housing:		
Operating Subsidy		895,632.00
Leased		
Development		
Total Low Income Housing	14.850	895,632.00
Section 8 Cluster:		
Vouchers	14.855	
Certificates	14.857	406,681.12
Moderate Rehabilitation	14.856	
New Construction	14.182	
Substantial Rehabilitation	14.182	
Total Section 8 Cluster		406,681.12
Comprehensive Grants	14.859	433,264.49
CIAP	14.852	
Public Housing Drug Elimination Program:		
PHDEP		119,893.44
Youth Sports		
Total PHDEP	14.854	119,893.44
Shelter + Care	14.238	
HOPE	14.858	
HOME	14.239	
Child Care Food Program (USDA)	10.558	
 TOTAL FEDERAL EXPENDITURES		 1,855,471.05 =====

NOTE: This schedule of expenditures of federal awards is prepared on the HUD regulatory basis of accounting, which is an other comprehensive basis of accounting.

see notes to financial statements

Housing Authority of the Parish of St. John the Baptist  
LaPlace, Louisiana 70069  
BALANCE SHEET  
Annual Contributions Contract FW-1422  
September 30, 1998

SCHEDULE IV

ASSETS

Cash	360,020.60
Investments	323,749.89
Accounts Receivable	85,074.00
Debt Amortization Funds	170,125.99
Deferred Charges	50,306.49
Land, Structures and Equipment	13,161,556.47
<b>TOTAL ASSETS</b>	<b>14,150,833.44</b>

LIABILITIES AND SURPLUS

LIABILITIES:

Accounts Payable	59,988.45
Notes Payable	0.00
Accrued Liabilities	0.00
Deferred Credits	38,008.00
Fixed Liabilities	1,266,630.16
<b>TOTAL LIABILITIES</b>	<b>1,364,626.61</b>

Surplus	12,786,206.83
<b>TOTAL LIABILITIES AND SURPLUS</b>	<b>14,150,833.44</b>

see notes to financial statements

Housing Authority of the Parish of St. John the Baptist  
LaPlace, Louisiana 70069  
STATEMENT OF INCOME AND EXPENSES-PHA OWNED HOUSING  
Annual Contributions Contract FW-1422  
For the year Ended September 30, 1998

SCHEDULE V

OPERATING INCOME:	
Dwelling Rental	273,636.00
Interest Income	18,362.42
Other Income	14,804.00
	-----
Total Operating Income	306,802.42
OPERATING EXPENSES:	
Administration	187,962.10
Tenant Services	17,635.00
Utilities	308,429.18
Ordinary Maintenance and Operations	309,417.78
General Expense	242,283.80
Non-Routine Maintenance	3,950.00
	-----
Total Operating Expenses	1,069,677.86
	-----
NET OPERATING DEFICIT	(762,875.44)
OTHER CHARGES:	
Interest on Notes and Bonds	0.00
Prior Period Adjustments Affecting Residual Receipts	(1,280.00)
Prior Period Adjustments Not Affecting residual Receipts	0.00
	-----
TOTAL OTHER CHARGES	(1,280.00)
	-----
DEFICIT	(761,595.44)
	-----

see notes to financial statements

Housing Authority of the Parish of St. John the Baptist  
LaPlace, Louisiana 70069  
STATEMENT OF INCOME AND EXPENSES  
HOUSING ASSISTANCE PAYMENTS PROGRAM  
Annual Contributions Contract FW-2170  
For the year Ended September 30, 1998

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SCHEDULE VI

Operating Income	2,529.09
Total Operating Income	<u>2,529.09</u>
Operating Expenses:	
HAP Payments	371,962.70
Administration Expenses	34,718.42
Total Operating Expenses	<u>406,681.12</u>
Net Operating Deficit	(404,152.03)
Other Credits:	
Prior Period Adjustments Affecting Residual Receipts	
Deficit	<u>(404,152.03)</u>

see notes to financial statements

Housing Authority of the Parish of St. John the Baptist  
 LaPlace, Louisiana 70069  
 ANALYSIS OF SURPLUS SCHEDULE VII  
 For the year Ended September 30, 1998

ANNUAL CONTRIBUTION CONTRACT	FW-1422		FW-2170
Unreserved Surplus	OWNED		SECTION 8
Balance 9-30-97	(13,896,052.54)		(7,263,783.24)
Deficit for 9-30-98	(761,595.44)		(404,152.03)
Provision for Operating Reserve	(100,261.27)		(13,760.97)
Provision for Project Account			(294,753.00)
Adjustments During the Year	0.00		927,015.00
Balance 9-30-98	(14,757,909.25)		(7,049,434.24)
Reserved Surplus 9-30-97	628,801.86		36,467.53
Provision for Operating Reserve	100,261.27		13,760.97
Adjustments During the Year	0.00		0.00
Balance 9-30-98	729,063.13		50,228.50
Project Account Balance 9-30-97	0.00		2,190,084.28
Provision for Project Account	0.00		294,753.00
Adjustments During the Year	0.00		(1,577,460.00)
Balance 9-30-98	0.00	0.00	907,377.28
Cumulative HUD Contributions: Balance Per PHA 9-30-97	26,380,774.92		4,686,400.94
Annual Contributions 9-30-98	0.00		417,913.00
Operating Subsidy 9-30-98	895,632.00		0.00
Contributions for Modernization	397,191.09		0.00
PHDEP	126,442.28		0.00
Difference	(0.05)		
Balance 9-30-98	27,800,040.24		5,104,313.94
Cumulative Donations	2,527.23		0.00
Total Surplus 9-30-98	13,773,721.35		(987,514.52)

see notes to financial statements

Housing Authority of the Parish of St. John the Baptist  
 LaPlace, Louisiana 70069  
 PHA's Statement and Certification of Actual Modernization Costs  
 COMPLETED PROJECT  
 Annual Contributions Contract FW-1422  
 For The Year Ended September 30, 1998

SCHEDULE VIII  
 LA48PO9570496

1. The actual modernization costs of the project are as follows:

	PROJECT LA48PO9570496
Funds Approved	\$414,104.00
Funds Expended	414,104.00
	-----
Excess of Funds Approved	0.00
	=====

FUNDS ADVANCED

HUD	414,104.00
Funds Expended	414,104.00
	-----
Excess of Funds Advanced	0.00
	=====

1. The distribution of costs by project as shown on the Final Statement of Cost dated 8-17-98 accompanying the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the PHA's records.
2. All modernization costs have been paid and all related liabilities have been discharged through payment.

see notes financial statement

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**REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENTAL AUDITING STANDARDS**

BOARD OF COMMISSIONERS  
HOUSING AUTHORITY OF THE PARISH OF ST. JOHN THE BAPTIST  
LAPLACE, LOUISIANA 70089

I have audited the financial statements of the Housing Authority of The Parish of St. John the Baptist (PHA), as of and for the year ended September 30, 1998, and have issued my report thereon dated March 11, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

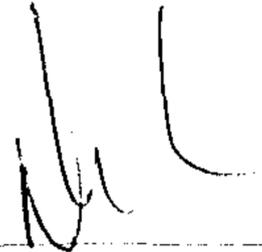
As part of obtaining reasonable assurance about whether the PHA's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the PHA's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the audit committee, management, and for HUD. However, this report is a matter of public record and its distribution is not limited.

March 11, 1998



---

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**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133**

BOARD OF COMMISSIONERS  
HOUSING AUTHORITY OF ST JOHN THE BAPTIST PARISH  
LAPLACE, LOUISIANA

Compliance

I have audited the compliance of the Housing Authority of St John the Baptist Parish (PHA) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 1998. the PHA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the PHA's management. My responsibility is to express an opinion on the PHA's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non Profit Organizations. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the PHA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the PHA's compliance with those requirements.

As described in item 98-1 in the accompanying schedule of findings and questioned costs, the PHA did not comply with requirements regarding control over Activities Allowed or Unallowed. Compliance with such requirements is necessary, in my opinion, for the PHA to comply with requirements to the Certificates program.

In my opinion, except for the noncompliance described in the preceding paragraph, the PHA complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 1998.

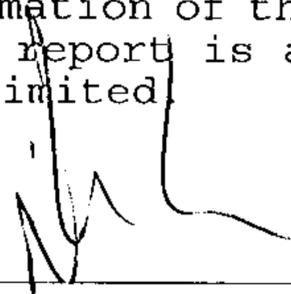
#### Internal Control Over Compliance

The management of the PHA is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the PHA's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

I noted certain matters involving the internal control over compliance and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in my judgement, could adversely affect the PHA's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 98-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the audit committee, management, and HUD. However, this report is a matter of public record and its distribution is not limited.



---

William Daniel McCaskill, CPA  
A Professional Accounting Corporation

March 11, 1998

**THE HOUSING AUTHORITY OF THE PARISH OF ST. JOHN THE BAPTIST  
LAPLACE, LOUISIANA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

There were no findings in the prior audit.

THE HOUSING AUTHORITY OF ST JOHN THE BAPTIST PARISH  
LAPLACE, LOUISIANA

**SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS**

Per A-133, Section 505(d)

1. Summary Schedule of Auditors Results:

- i. The report includes an unqualified opinion on the financial statements.
- ii. There were no reportable conditions in internal controls found required to be disclosed at the financial statement level.
- iii. The audit disclosed no noncompliance which is material to the financial statements.
- iv. Reportable conditions in internal control over major programs per A-133 were disclosed by the audit.
- v. The compliance report issued for major programs was qualified.
- vi. The report disclosed audit findings required to be reported under Section 510a of A-133.
- vii. All major programs have oversight by HUD and are identified as follows:

CFDA #	Name of Program
14.857	Certificates
14.854	PHDEP
- viii. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.00.
- ix. The auditee was not considered a low risk auditee.

2. Findings relating to the financial statements required to be reported with GAGAS are as follows:

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS AS DEFINED IN A-133, SECTION 510a, ALL WITH HUD OVERSIGHT:

Finding 98-1

1. Name of Program--Section 8  
Identification Number--FW-2170  
CFDA Title and Number--Section 8 14.857  
Federal Award # and Year--1998  
Name of Federal Agency--HUD  
Name of Pass Through Entity--None
2. Criteria--
  - A) The responsibilities governing body (The St John Parish Council) is limited to appointing PHA board members and removing same for cause.
  - B) The responsibilities of the PHA board of commissioners is to set policy and ensure that those policies are carried out by management.
  - C) Management's responsibilities include the day to day operation of the PHA.
3. Condition--
  - A) There is evidence that the governing body is attempting to have input in the day to day operations of the PHA.
  - B) There is evidence that the PHA's board of commissioners is attempting to have input in the day to day operations of the PHA.
4. Amount of questioned costs and how computed--no questioned costs.
5. *The governing body seems to have only recently attempted to influence the activities of the PHA. The PHA's Board of Commissioners seems to have appropriately dealt with the matter.*  
  
*The Board of Commissioners seems to have have input in day to day operations on an irregular basis.*
6. Effect--
  - A) The governing body is in violation of Federal regulations.
  - B) The PHA board of commissioners is in violation of Federal regulations.

7. Recommendations to prevent future occurrences include--  
A) I suggest that HUD representatives attend a meeting of the governing body and confirm in writing exactly their responsibilities.

B) I suggest that HUD representatives attend a meeting of the PHIA's board of commissioners and confirm in writing exactly their responsibilities.

8. Since the audit field work is being completed in March 1999 and the audit report is due by March 31, 1999, and since the board of commissioners will not meet until April 14, 1999, I met with the Chairperson of the board and she indicated that the board will provide a response at that time.

It is noted that the board of commissioners has been fully cooperative in the course of this audit.

THE HOUSING AUTHORITY OF ST JOHN THE BAPTIST PARISH  
LAPLACE, LOUISIANA

**CORRECTIVE ACTION PLAN**

Our corrective action plan is as follows:

Since the finding and the Management Letter concern matters pertaining to the Board of Commissioners, the Board of Commissioners will address the finding and the Management Letter in writing at their regularly scheduled meeting on April 14, 1999. This is being done because the audit report is due to be published by March 31, 1999 to comply with State law.

The Corrective Action Plan will be sent to each entity that received the original audit report.

The auditor notes that the Board of Commissioners has been fully cooperative during this audit.

Housing Authority of St John the Baptist Parish  
LaPlace, Louisiana

#### MANAGEMENT LETTER

During our test of 25 transactions, we found 2 travel advances to commissioners that did not have travel voucher documentation upon return from that travel. Portions of the PHA's travel policy state the following:

"Advances of funds for travel shall be made only for extraordinary travel and must be punctually repaid and travel vouchers and required receipts submitted on the first day of returning to work."

Meal per diem amounts are listed in detail. However, the travel policy also states that "Receipts are not required for routine meals within these allowances. Number of meals claimed must be shown on travel voucher." The policy goes on to state that "Claims for meals and lodging may be reported on a per diem basis supported by lodging receipts."

In testing the same 25 transactions, we found 2 instances of travel advances to staff whereby travel vouchers were properly documented upon the return from that travel. Interview of staff indicates that staff follows the travel policy but that Commissioners do not.

Since the two (2) transactions to commissioners in question total less than \$10,000.00 and were charged to a nonmajor program, we understand this is not to be written as a finding and questioned cost per A-133.

The Louisiana Legislative Auditor requires all Management Letter Comments be responded to per a Corrective Action Plan.

I met with the Chairperson of the PHA's Board of Commissioners who indicated to me that she will bring up this issue at the next regularly scheduled meeting of the Board of Commissioners on April 14, 1999 and that the Board will answer the matter in writing at that time.